



Foreign Agricultural Service

**GAIN Report**

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## **New Zealand**

### **KIWIFRUIT REPORT**

#### **KNZ Increases Final 1998 Kiwifruit Payout 1999**

Prepared by:

**Gary Meyer**

**U.S. Embassy**

Drafted by:

Maxine Yule

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**Report Highlights:** Kiwifruit New Zealand has announced a record global net revenue of N.Z.\$695.1 million (U.S.\$368.4 million) for the 1998 season and a 22.9 percent increase in average Class I fruit returns. KNZ's new Gold variety experienced a sharp increase in returns to N.Z.\$21.38/tray in 1998 but volumes were small at 71,000 trays. The 1999 kiwifruit crop is expected to be down 10-15 percent to between 53-56 million trays due to poor budburst and regrafting.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Wellington [NZ1], NZ

Kiwifruit New Zealand (KNZ) has announced a record distributable return of N.Z.\$410.6 million (U.S.\$217.6 million) for the 1998 season, up N.Z.\$87.3 million (U.S.\$46.2 million) over last season's N.Z.\$323.3 million (U.S.\$171.3 million) return. Final net global returns have been confirmed at 29 percent higher than 1997 at N.Z.\$695.1 million (U.S.\$368.4 million) - a record for the New Zealand kiwifruit industry. Increased global volumes and prices accounted for 27 percent of the growth in revenue while favorable foreign exchange accounted for 73 percent. Efficiency gains between the orchard gate and the end consumer combined with an increased promotional spend also contributed to the record return.

Class I fruit (nearly 95 percent of the crop) will return an average of N.Z.\$6.48/tray, a 22.9 percent increase over the previous season's return of N.Z.\$5.27/tray. Returns for the new Gold Hort 16A variety increased sharply from N.Z.\$14.38/tray in 1997 to N.Z.\$21.38/tray in 1998. Volumes of Gold fruit are still relatively low at 71,000 trays but are expected to increase quickly as new and re-grafted vines mature. *Note: one tray = 3.6 kilograms = 7.9 pounds.*

<b>1998 SEASON KIWIFRUIT GROWER EXPORT RETURNS</b> as at 21 May, 1999.		
<b><i>POOL</i></b>	<b><i>NZ\$ per 3.6 kg tray</i></b>	<b><i>U.S.\$ per 3.6 kg tray</i></b>
Class 1	6.48	3.43
Organic	9.20	4.88
Transitional Organic	6.79	3.60
Gold	21.38	11.33
K1W1	4.53	2.40
Organic Class II	6.21	3.29
Gold Class II	5.28	2.80
Average	6.50	3.44
Source: Kiwifruit New Zealand.		

Poor bud burst and grafting to new varieties is expected to reduce the 1999 kiwifruit crop by 10 - 15 percent with production falling to between 53 million and 56 million trays. The 1999 smaller crop forecast is expected to have a positive impact on prices although the budget price for Zespri Class I fruit is expected to be around N.Z.\$5.50 per tray.